

## MEMO ENDORSED

USCNY
DOCUMENT
ELECTRONICALLY FILED
DOC #:
DATE FILED: 1/9/08

PAYKIN MAHON ROONEY & KRIEG LLP  
185 Madison Ave. 10<sup>th</sup> floor  
New York, NY 10016  
212 725 4423

January 9, 2008

VIA FACSIMILE (212) 805-6724

Hon. Frank Maas

United States District Court Southern District of New York

United States Courthouse, Room 740

500 Pearl Street

New York, New York 10007-1312

Attn. Amy Martelle

RE: Highgate House, LLC v. Michelex Corp.  
Docket No. 07 CV 6417

Dear Ms. Martelle:

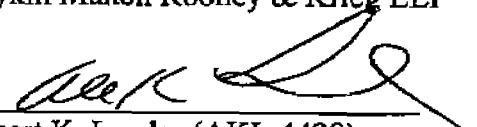
The conference is adjourned to 1/31/08 at 2:15 pm. If final agreement in principle has been reached before then, the parties need only submit a "30-day order" in the form annexed hereto and the conference will be cancelled.

Pursuant to our conversation, this letter is to request an adjournment of the Settlement Conference in this matter scheduled for January 11, 2008. The parties have made progress in negotiating a settlement of this action.

In summary, Michelex has accepted the Highgate's calculation of the amount due and Highgate has agreed to accept a specific number of shares of common stock of Michelex in full settlement of that amount. Highgate has requested, and Michelex has agreed, to deliver the shares periodically upon request in amounts and at times to be determined by Highgate. Michelex further agreed to sign a Consent to Judgment in the amount of the settlement to be placed in escrow, with the proviso that the escrow for the Consent be limited to one year. We are awaiting Highgate's final approval of the settlement, at which time the Settlement will be complete and no further intervention by the Court will be needed.

Therefore, the Plaintiff's attorney and I request an adjournment of the Settlement Conference for 4 weeks.

Respectfully submitted,  
Paykin Mahon Rooney & Krieg LLP

  
Albert K. Lawler (AKL 4429)

Cc: Robert Weber

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

-----X

:  
:  
:

Plaintiff(s),

ORDER OF DISCONTINUANCE

:  
-against-  
:  
:

Civ. ( )(FM)

Defendant(s).

-----X

It having been reported to this Court that the above entitled action has been settled, and the parties and their counsel having consented to the undersigned exercising jurisdiction over this case for the limited purpose of entering this Order of Discontinuance, it is hereby

ORDERED that said action be and hereby is, discontinued with/without prejudice and with/without costs; provided, however, that within 30 days of the date of this order, counsel for plaintiff may apply by letter for restoration of the action to the active calendar of the court, in which event the action will be restored.

DATED: New York, New York  
, 200

FRANK MAAS  
United States Magistrate Judge

---

Attorney(s) for Plaintiff

---

Attorney(s) for Defendant

Agreed and Consented to:

Agreed and Consented to: